

Industry Circular



Internal Revenue Service
Alcohol, Tobacco and Firearms Division
Washington, D.C. 20224

Industry Circular 71-16

July 16, 1971

MISCELLANEOUS AMENDMENTS UNDER TREASURY DECISION 71-30

Manufacturers of nonbeverage products
and others concerned:

Purpose. This circular is issued to inform you of the more significant changes made in 26 CFR Part 197, Drawback on Distilled Spirits Used in Manufacturing Nonbeverage Products, by Treasury Decision 7130, which was published in the Federal Register for July 8, 1971, and which will become effective September 1, 1971.

Evidence of taxpayment of distilled spirits. A new § 197.130b relating to evidence of taxpayment of distilled spirits has been added to the regulations. This section provides that Forms 179, required to be furnished by suppliers, must be maintained as evidence of taxpayment in support of information required to be furnished in supporting data filed with a claim. It also provides that, where shipments are made from a taxpaid room operated in connection with a distilled spirits plant, the vendor's commercial invoice may be utilized in lieu of Form 179 if the invoice bears a certification as to taxpayment by the person who paid the tax and includes specified information which is essentially the same as that which would be included on Form 179.

Revenue rulings incorporated in regulations. Revenue Ruling 68-259 relating to determination of the exact quantity of distilled spirits received, used in manufacture, and lost and to recording quantities of spirits so determined in the manufacturer's records has been incorporated in a new § 197.130a. This section also provides that where the quantity used in manufacture is determined by volume, temperature corrections must be made in accordance with Table No. 7 of the Gauging Manual (26 CFR Part 186). Also, the provisions of Revenue Ruling 63-67 relating to the filing of claims on a monthly basis have been incorporated in § 197.106 and have been enlarged to make it clear that a manufacturer qualified to file claims on a monthly basis need not necessarily file separate claims for each month and may file (1) a single claim covering alcohol used during a quarter, (2) a single claim covering two months of a quarter, or (3) two claims, one covering one month and one covering two months of a quarter. In any event, the month or months covered by a claim must be specifically identified, and the claimant may be required to separate the required supporting data into the individual months covered by the claim.

Inquiries. Inquiries regarding this circular should refer to its number and be addressed to your Assistant Regional Commissioner, Alcohol, Tobacco and Firearms.

Rex D. Davis, Director
Alcohol, Tobacco and Firearms Division